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February 15, 2023

Sent via email at sen.alice.mann@senate.mn

Dear Senator Mann,

With this letter I am pleased to inform you that Healthcare for All MN (HCAMN) has endorsed SF404 the Freedom to Choose bill.

One very important reason that HCAMN has endorsed this important bill is because were never asked if they wanted to be forced to choose an HMO, they were simply forced to make that

The privatization of Medicaid that spread throughout the state between the late 1980s and late 1990s forced Minnesota's Medical Assistance (MA) enrollees into HMOs without a choice of the recipient. SF404 gives the legislature the opportunity to undo the injustice inflicted on MA enrollees years ago.

As we know, the insertion of HMOs into the Minnesota Medicaid and MinnesotaCare programs obliterated transparency, and almost certainly raised rather than lowered total MA spending. We also know that we have to say "almost certainly" because a rigorous evaluation of the claims made for the HMOs has never been done.

DHS's overhead as a percent of total Medicaid spending was 4 to 5 percent of total spending prior to privatization. The overhead costs generated by HMOs – is the largest source of administrative fees within the MA system. Research indicates that the spread of managed care also drove up provider costs.

Robbing MA enrollees of their freedom to choose might be justifiable if HMOs were able to reduce costs without harming patients. That has not happened. HMOs raised costs and they damaged quality of care, which is why HCAMN has endorsed SF404, to give MA enrollees the option to opt out of privatized Medicaid, and to start the process of de-privatizing Minnesota's public healthcare programs.

Respectfully,

Rose Roach

Rose Roach
Chair, Healthcare for All MN